

Health Benefits for Retired United Mine Workers of America Members

September 23, 2019

Eligible United Mine Workers of America (UMWA) members receive post-retirement health and pension benefits from one of three multiemployer health benefit plans and one multiemployer pension plan. A multiemployer plan is sponsored by employers in the same industry and is maintained as part of a collective bargaining agreement. The three UMWA health plans are the (1) [Combined Benefit Fund \(CBF\)](#), (2) [UMWA 1992 Health Benefit Plan \(1992 Plan\)](#), and (3) [UMWA 1993 Health Benefit Plan \(1993 Plan\)](#). The [UMWA 1974 Pension Plan](#) pays pension benefits.

Funding for the UMWA Retiree Health Plans

The plans are funded by employer contributions and two sources of federal financial assistance: (1) interest on investments in U.S. Treasury securities from the [Abandoned Mine Reclamation Fund](#) and (2) supplemental payments from the General Fund of the U.S. Treasury. No funds from the assets of the Abandoned Mine Reclamation Fund, a federal trust fund for cleaning up legacy coal mining sites, itself go to the retiree health plans. There is an annual cap of \$490 million per fiscal year on the total of transfers from the General Fund to the health care plans and of grants to certified states and tribes that have reclaimed certain abandoned coal mining sites. In FY2019, the three UMWA health plans received [\\$54.3 million in interest income and \\$225.1 million from the General Fund](#). Authority for transfers from the federal government to the UMWA health plans is set out in the Surface Mining Control and Reclamation Act of 1977 (SMCRA; P.L. 95-87) in [30 U.S.C. 1232\(h\)](#) and [30 U.S.C. 1232\(i\)](#). In 2017 (the most recent year for which data are available), the plans received \$139.0 million in employer contributions.

Federal Transfers to the 1993 Plan Expanded in 2017

A number of coal companies went bankrupt in 2012 and 2015. Three of these companies were Patriot Coal, Walter Energy, and Alpha Natural Resources. The UMWA had been administering a Voluntary Employee Benefit Association (VEBA) with three separate funds to provide health benefits to those companies' retirees. A VEBA is a tax-advantaged trust fund created to finance employee benefits, such as retiree health insurance benefits. The VEBA for Patriot Coal retirees was projected to run out of money for benefits at the end of 2016. The VEBAs established for [Walter Energy](#) and [Alpha Natural Resources](#)

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IN11170

retirees were expected to exhaust their funds in mid-2017. In appropriations for FY2017 (P.L. 114-254), Congress authorized the transfer of federal funds to the 1993 Plan through April 30, 2017, for retirees who would lose health benefits as a result of bankruptcies in either 2012 or 2015 (i.e., retirees of the three companies mentioned earlier). Congress later, in P.L. 115-31, permanently authorized the transfer of funds to the 1993 Plan for those retirees.

Proposals to Further Expand Federal Funds for the 1993 Plan

In March 2019, Westmoreland Coal, a coal company with union miners operating in Wyoming and Montana, received, as part of a bankruptcy ruling, permission to end retiree health benefits. The [Wall Street Journal](#) noted that lenders would pay \$6 million to fund retiree benefits for a year. Without further action, these retirees are expected to lose their health benefits when the \$6 million is exhausted. The article also noted that, “the union represents about 300 current and laid-off Westmoreland employees and about 1,500 retirees and their dependents, according to court papers the union filed in January [2019].”

S. 27, the American Miners Act of 2019, would (1) expand eligibility for the 1993 Plan to Westmoreland retirees and dependents; (2) raise the annual cap on transfers from the General Fund from \$490 million to \$750 million; and (3) transfer funds from the General Fund to the 1974 Pension Plan. The 1974 Pension Plan is [projected to become insolvent in 2022 or 2023](#). The amount to be transferred would be any amount remaining within the new annual cap of \$750 million after funds are first transferred from the General Fund to the three UMWA multiemployer health plans and to certified states and tribes that have reclaimed certain abandoned coal mining sites.

H.R. 934, the Health Benefits for Miners Act of 2019, would expand eligibility for the 1993 Plan to the Westmoreland retirees and dependents. H.R. 934 would not provide any financial assistance to the UMWA 1974 Pension Plan.

Because the number of people receiving benefits from the 1993 Plan would increase, the amount of federal transfers from the General Fund to the plan would increase under either S. 27 and H.R. 934. There are no Congressional Budget Office cost estimates for the bills.

For more information on the 1974 Pension Plan, see CRS In Focus IF10617, *Pension Benefits for United Mine Workers of America Retirees*.

Author Information

John J. Topoleski
Specialist in Income Security

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